CANUCK LAW

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APRIL 9, 2022 BY RONNIE

Rebel Media Sues C.R.A For Access To Trudeau Subsidies

Recorded Entry Information : T-720-22

Type : Federal Court **Type of Action :** Federal Court

Nature of Cause : S. 18.1 Application for Judicial Review **Filing Date :** 2022-04-07

Office : Calgary **Language :** English

Recorded Entry Summary Information

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2 records found

Doc	Date Filed	Office	Recorded Entry Summary
null	2022-04-07	Calgary	Rule 133 service affected on the Crown placed on file on 07-APR-2022
1	2022-04-07	Calgary	Notice of application with regard to Judicial Review (s.18) filed on 07-APR-2022 Tariff fee of $50.00 received: yes

Rebel Media (or Rebel News Network), recently announced the would be pursuing legal action against the Federal Government. This comes on the heel of being denied the status of QCJO, or Qualified Canadian Journalism Organization.

However, the context of the announcement comes across as somewhat misleading. The audience is being led to believe that Rebel is being censored, or that it will be shut down at some point. This is not the case. That's not what denial of a QCJO designation means, but more on that in a bit.

Was there political bias in denying Rebel QCJO status? Perhaps, and they're free to make that argument. That said, there's more to it than that. They're not being denied the right to practice journalism, but won't be subsidized for doing so.

This isn't a joke. Rebel really did take the Canada Revenue Agency to Federal Court in order to obtain their QCJO designation. The file number is T-720-22.

Why take the C.R.A. to Court? Most likely, it's because that's who manages the program, and the resulting subsidies. Receiving QCJO status means the outlet is entitled to tax incentives they otherwise wouldn't be. This is probably the main reason the suit was filed in the first place.

For a group that rails against Trudeau funding the mainstream press, there's certainly no shame in trying to cash in on some of those same perks.

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Qualified Canadian journalism organization

To be designated as a qualified Canadian journalism organization (QCJO), an organization is required to meet the criteria set out in the Income Tax Act. For more information on these criteria, go to Guidance on income tax measures to support journalism.

An organization must first be designated as a QCJO to claim the Canadian journalism labour tax credit; potentially have their subscription costs be considered as qualifying subscription expenses for the digital news subscription tax credit; and/or apply for qualified donee status as a registered journalism organization.

Self-screening

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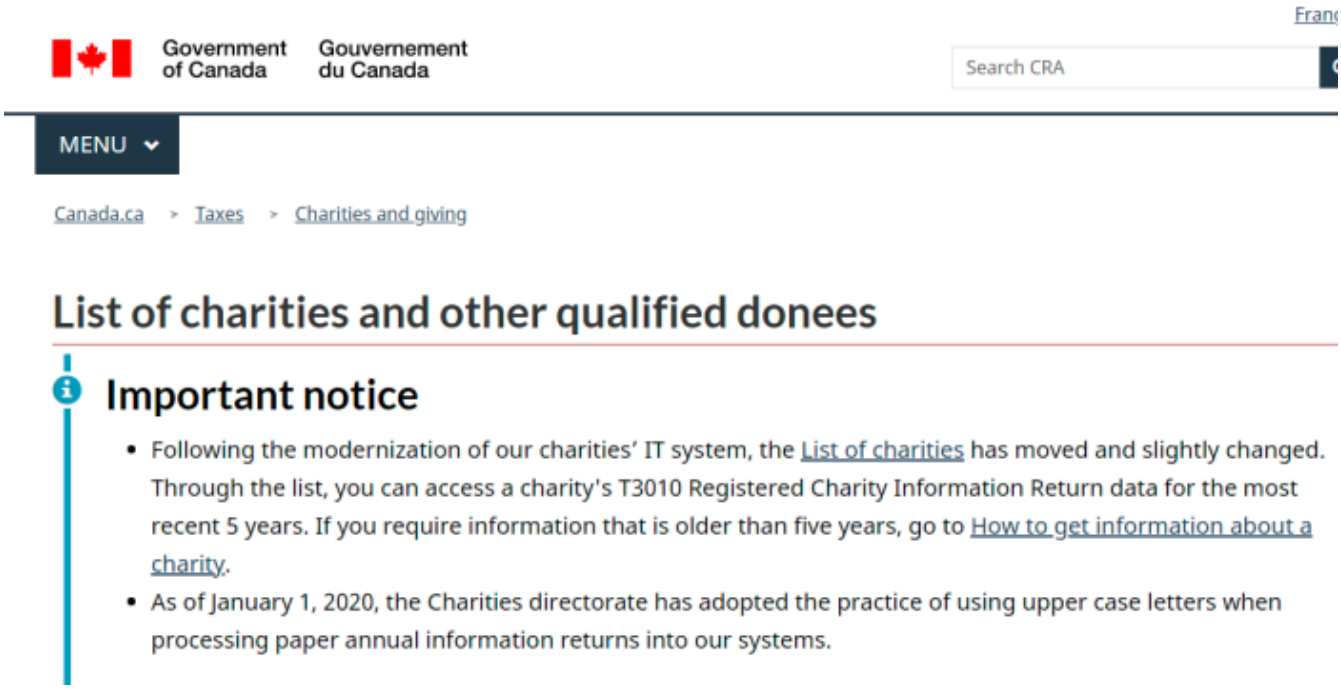
> An organization must first be designated as a QCJO to ***claim the Canadian journalism labour tax credit; potentially have their subscription costs be considered as qualifying subscription expenses for the digital news subscription tax credit; and/or apply for qualified donee status*** as a registered journalism organization.

If Rebel had gotten their QCJO designation, what would they be receiving?

(a) Canadian Journalism Labour Tax Credit: this would pay up to 25% of salaries of the business' employees, which are typically the biggest expense
(b) Digital News Subscription Tax Credit: subscribers would receive a tax rebate of up to 15%
(c) Registered Journalism Organization Status: going the next step, QCJOs would be able to qualify as RJO as well, and start issuing tax receipts, similar to how charities operate.

Presumably, Rebel would also have been subjected to a much more favourable tax rate, and would be able to increase the deductions allowed annually.

Wild idea, but maybe this, and not censorship, is the real reason for taking the C.R.A. to Court. These benefits are substantial, and would add up over time.



List of registered journalism organizations

Name	BN/Registration Number	Status	Effective date of registration	City, Province
La Presse Inc.	750602310RR0001	Registered	2020-12-01	Montreal, QC
The Narwhal News Society	846488773RR0001	Registered	2020-10-01	Victoria, BC
Presse-Ouest Ltée	104295647RR0002	Registered	2021-04-01	Winnipeg, MB
Journaldesvoisins.com	812672939RR0001	Registered	2021-06-21	Montreal, QC
New Canadian Media	849157532RR0002	Registered	2021-05-06	Ottawa, ON
The Local to Publishing	711980086RR0001	Registered	2021-07-09	Toronto, ON

Contrary to the impression many might have, getting registered with the C.R.A. isn't common at all. As of the time of writing this, there are only 6 Registered Journalism Organizations:

- La Presse Inc.
- The Narwhal News Society
- Presse-Ouest Ltée
- Journaldesvoisins.com
- New Canadian Media
- The Local to Publishing

Of course, the bulk of the press in Canada is getting money from Ottawa under some program. That's been covered elsewhere on this site.

Worth mentioning: True North also gets funding, all while claiming to be independent and free from the taint of Government money.

If anyone is worried about context, do read the Rebel posting, and watch the embedded video. This isn't about the ability to report, or function as a media outlet. This is about access to taxpayer subsidies. Ezra himself admits that he wants to "level the playing field". Apparently, having Government finance the media isn't so abhorrent as to abstain from it on principle.

Quite simply, Rebel Media wants the same handouts that they mock others for receiving. That certainly puts things in perspective.

(1) https://www.rebelnews.com/rebel_news_is_suing_justin_trudeau
(2) https://www.youtube.com/watch?v=4b_1vwGrcY4&t
(3) https://archive.ph/beOQY
(4) https://www.fct-cf.gc.ca/en/court-files-and-decisions/court-files#cont
(5) https://twitter.com/RebelNewsOnline/status/1512229529737211921
(6) https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax-credits/canadian-journalism-labour-tax-credit/qualified-canadian-journalism-organization.html
(7) https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax-credits/canadian-journalism-labour-tax-credit.html
(8) https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/deductions-credits-expenses/digital-news-subscription.html
(9) https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax-credits/canadian-journalism-labour-tax-credit/registered-journalism-organization.html
(10) https://www.canada.ca/en/revenue-agency/services/charities-giving/list-charities/list-charities-other-qualified-donees.html
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